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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

National Intelligence Officers

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MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

VIA : Deputy Director for National Foreign Assessment
National Intelligence Officer for Warning

FROM : [REDACTED]
Assistant National Intelligence Officer for
Western Europe

SUBJECT : Monthly Warning Assessment: Western Europe

25X1

Among the topics discussed at the warning meeting on Western Europe--the French elections, the situation within the Italian Communist Party, and Spain's decision on NATO membership--it is the possible consequences of France's presidential elections that pose interesting and immediately important uncertainties warranting examination in this assessment.

FRENCH ELECTIONS

1. Politics in France will be more lively whether or not Giscard d'Estaing is re-elected. Should Giscard win on 10 May, the Gaullists--encouraged by what now looks like a strong showing in the first round by Gaullist challenger Chirac--are certain to demand more influence over government policies. They will want to demonstrate an identifiable power that will benefit them in the legislative elections scheduled for 1983. How the Gaullists might seek to inflect foreign policy is unpredictable. During the campaign they criticized Giscard for being too soft on Moscow, but should Giscard seem to favor the United States too much, the Gaullists might well attack him for slighting French independence. Probably the biggest question mark about a second Giscard term, however, is whether or not he will respond to the desire for "change" apparently simmering among the French electorate. He is likely to try, if only to rebuild a reputation for being in control that was damaged during the election campaign. If, for whatever reason,

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he is unconvincing in being able to point towards some type of "renewal" in France, his left-wing critics may prove to have been not incorrect (despite their obvious electoral self-interest) in predicting eventual social turmoil in the wake of continued stagnation.

2. Clearly, however, the greater uncertainty attaches to a possible Mitterrand victory. The economic and social programs, for example, which the Socialist candidate has endorsed would be inflationary and hardly conducive to maintaining productivity at levels needed to offset the effects of continued low economic growth. Socialist policies, as written, could create enormous difficulties both within the Common Market and the international trading community generally. A major source of potential instability, meanwhile, would be the French Community Party, which has promised an all-out effort, socially and economically disruptive if need be, to gain positions and influence in a government under a Mitterrand presidency. Should Communist threats materialize--and perhaps even without them--elements of the Right in France might also begin to wonder how they might attempt to "destabilize" Mitterrand's leadership. On foreign policy, Mitterrand's intentions are probably not very different from Giscard's; in particular, it does not appear he wants to take any radical departures in policies towards the Atlantic Alliance. Dependence on Communist votes in the Assembly, however, might nevertheless take its toll on French policies toward both the European Community and the Alliance.

3. It will not be possible to obtain a satisfactory fix on the likely directions of a Mitterrand presidency until it is clear what kind of government he will have to work with. Dissolution of the National Assembly and early new elections have been promised should Mitterrand gain the Elysee. If, as some observers believe, the French voter reacts to a Mitterrand victory by electing a center-right majority to the legislature, a Socialist direction to the new government might be impossible. A left-wing majority returned to the new Assembly, on the other hand, would pose the problem for Mitterrand of risking Communist disruption if he tried to minimize their role in government. Whichever the case, it is likely to take several months following a Mitterrand victory before we can judge the extent of Mitterrand's grip on the situation. During that time, he will try to reassure the United States about France's firm place in the West and try also to obtain assurances, useful for his own stabilizing efforts domestically, that Washington regards his presidency as no less legitimate than Giscard's.



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